

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4901
Rust Environmental & Infrastructure, Inc.)
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that Rust ("Respondent") violated 2 U.S.C. §§ 441b(a), 441c(a)(1) and 441f.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, does hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent is a corporation as described pursuant to 2 U.S.C. § 441b, and contracts and has contracted with local, state and federal government agencies for its services. The events described below occurred prior to September 11, 1998, when Rust was acquired by an affiliate of Earth Tech, Inc.

2483-504-40-22

2. For some period of time during 1996 through 1998, James E. Gonzales was an employee of Rust. Mr. Gonzales' duties included maintaining relationships with public officials and decision-makers, serving as a "client advocate" for Rust projects as well as various marketing and management functions.

3. According to statements taken from Mr. Gonzales during a Rust investigation, beginning at least in 1996, Bill Jameson, Regional Vice President of Rust and supervisor of Mr. Gonzalez, and subsequent supervisors, encouraged and instructed Mr. Gonzales to make political contributions to various federal campaign committees, for reimbursement by Rust through false mileage claims in Rust travel and expense reports. From at least August, 1996, through June, 1998, James E. Gonzales, an employee of Respondent, was reimbursed by Respondent for political contributions made to various federal committees. Listed below are the reimbursed contributions.

REIMBURSED	FEDERAL	CONTRIBUTIONS
9/5/1996	Bud Shuster for Congress	\$250
9/23/1996	Tom DeLay Congressional Cmte.	\$750
9/26/1996	Ruben Hinojosa for Congress	\$250
12/18/1996	Cmte. To Re-elect Estaban Torres to Congress	\$500
11/18/1997	ARMPAC	\$1,000
8/2/1998	Tom DeLay Congressional Cmte.	\$1,000
TOTAL REIMBURSED		\$3,750

Rust further agrees that the above reimbursed contributions represent all reimbursed federal campaign contributions.

4. In August, 1998, Rust terminated James E. Gonzales from employment. Rust, furthermore, took steps to discipline other employees involved and strengthen its accounting of travel and expense reports.

5. The Act prohibits corporations from making contributions or expenditures in connection with a federal election. 2 U.S.C. §441b(a).

6. 2 U.S.C. §441c(a)(1) prohibits any person who enters into a contract with the United States or any department of agency thereof from making any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution to any political party, committee or candidate for public office or to any person or for any political purpose or use.

7. Further, Section 441f of the Act prohibits any person from making a contribution in the name of another person.

V. Respondent violated 2 U.S.C. § 441b(a), 441c(a)(1) and §441f by reimbursing James E. Gonzales for his contributions to federal committees.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of three thousand eight hundred dollars (\$3,800), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

4485-504-40-22

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. Respondent understands that the recipient campaign committees will be requested to disgorge the above-referenced reimbursed contributions to the United States Treasury. Respondent waives any and all claims it may have to the refund or reimbursement of such contributions.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

5483" 504" 40" 22

MUR 4901

Conciliation Agreement - Rust Environment and Infrastructure, Inc.

Page 5

FOR THE COMMISSION:

Lois G. Lerner

Acting General Counsel

BY:

Abigail A. Shaine

Abigail A. Shaine

Acting Associate General Counsel

Date

9/13/01

FOR THE RESPONDENT:

Charles S. Alpert

(Name) CHARLES S. ALPERT

(Position) SECRETARY AND
GENERAL COUNSEL
FOR RESPONDENT

Date

8/03/2001

22.04.405.3846